

January 18, 2013

RFP 13-05
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSAL ("RFP")

DOCKET NO. R-26018 – LPSC, ex parte. In re: Determination As To Whether The Commission Should Issue A General Order Asserting Jurisdiction Over The Certification of Utility Transmission Projects and the Determination of Whether Those Projects Are In The Public Interest

The Louisiana Public Service Commission ("Commission" or "LPSC"), in accordance with the requirements of the LPSC's General Order dated August 4, 2004 regarding the selection of contract employees to represent the Commission, ("Contract Order") issues this Request for Proposals ("RFP") to outside consultants who may be retained to assist the Commission in the above-referenced rulemaking and meeting the Commission's directive at the November 2012 Business and Executive Session ("B&E").

I. Overview

In LPSC Rulemaking Docket No. R-26018 the Commission is considering the enactment of rules requiring LPSC-jurisdictional utilities to obtain certification prior to undertaking construction, modification, or extension of any facilities used for the transmission of electricity. All filings related to this rulemaking, including a report of the technical conference can be viewed on the LPSC's web site at www.lpsc.org.

This RFP is necessary to meet the directive of the Commission at its November 2012 B&E. That directive, read into the record by Commissioner Skrmetta was as follows:

I direct Staff, through the existing [transmission] siting docket, to identify as soon as possible, a transmission construction reliability project necessary for improvement of the state's transmission system and to work with the appropriate electric utilities to identify, budget and present a Phase 1 plan for construction, for said transmission project. Staff should identify stakeholders in the issue and input from not only utilities, but also industrial, commercial and residential sources. The Staff's report back to the Commission should be in a form that will allow the Commission to consider a vote for the LPSC to order said transmission project to be constructed. Staff shall determine if contract consultants are necessary and if the LPSC should issue any RFPs. The matter should be expedited as the Staff can manage. I would like monthly updates on the matter starting February 2013 and thereafter until further notice. I request that the Staff's goal should be to complete the task by May 1st, 2013.

II. Scope of Representation

Applicants must be qualified to work together with the Staff of the Commission to propose a transmission project in accordance with the above directive, together with any additional issues which

Staff may deem appropriate. All proposals shall include an outline of a plan of action for conducting the investigation, including preparation of requests for comments and review of and analysis of responses, participation in technical conferences and hearings, potential site visits, periodic reporting to Commissioners on the status of the investigation, both in person and in writing, and attendance and testimony at the Commission's Business and Executive Session. The proposals shall also include estimated time-lines and associated fees and costs, anticipating the possibility of challenges by parties, and any potential appeals to the Commission. In the event an applicant is chosen, however, Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

In the event that it becomes necessary to revise any part of this RFP, an addendum will be mailed to each applicant who has timely submitted a proposal. Applicants will be given a minimum of five days to respond to any addenda.

III. Period of Representation

The time period ("Period of Representation") estimated to complete the Scope of representation is approximately 9 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To be considered, all applicants must meet the following minimum requirements in addition to those provided in this Commission's General Order dated August 4, 2004.

Applicants should be familiar with and have experience involving transmission certification as well as the operation of the LPSC-jurisdictional electric utilities, including state and federal jurisdictional and regulatory compliance issues related to transmission planning and construction. Consideration will be given to factors such as educational background and achievement, practical experience in the field of transmission planning, engineering, design or construction, and experience before other regulatory agencies or public utility commissions.

Applicants shall be qualified and prepared to render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding.

Applicants shall, at a minimum, be experienced in analyzing the operations, books and records of utility companies and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) Applicable LPSC and FERC regulations including the Energy Policy Act of 2005 and FERC Order 1000;
- (2) Utility transmission construction, operation, rates and regulatory authority over these activities;
- (3) Overhead and Underground transmission line design and construction for 69kV through 500kV voltage class transmission lines;
- (4) Substation class projects for the same voltage classes as noted in item 4 above;

- (5) NERC, SERC, SPP, MISO, and any other applicable standards associated with bulk electric transmission facilities to be located in the State of Louisiana.
- (6) Pending applications by major Louisiana utilities to divest transmission assets and/or join a regional transmission organization and what impact this may have on the proposed project.
- (7) Environmental criteria associated with the design and construction of bulk electric transmission facilities;
- (8) Right-of-way (ROW) issues for bulk electric transmission facilities;
- (9) Appropriate accounting standards and practices for electric utilities and the ability to evaluate the financial soundness of the sponsor; and
- (10) Cost allocation methodologies for the allocation of investment and expenses among affiliates, including the relationship of a parent company to its subsidiary operating companies, the transfer of investment and costs among operating companies, and the provision of services among affiliates, as well as the affiliate requirements, assuming they are applicable, found in Order U-19904, Appendix 3.

V. Estimate of Costs

All proposals shall include fees and costs associated with consulting in the docket. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

VI. Conflict of Interest

Applicants shall prominently disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, applicants shall disclose all matters in which they currently represent clients before the Commission.

VII. Billing Guidelines

As required by the August 4, 2004 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). This memorandum can be found at <http://www.doa.louisiana.gov/osp/travel/travelpolicy.htm>. Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

VIII. Reservation of Rights

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

IX. Submission of Proposals

Interested parties should submit the **original (hard copy), 6 copies, and e-mail an electronic copy** of the proposal to:

Attention: Rene Robertson
Louisiana Public Service Commission
Office of the General Counsel
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-9888
Fax: (225) 342-5610
Email: rene.robertson@la.gov

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **February 12, 2013. Selection of a consultant is anticipated to take place at the Commission's February 20, 2013 Business and Executive Session.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.